

30-DAY PUBLIC NOTICE AND COMMENT PERIOD

NOTICE IS HEREBY GIVEN that the Secretary for the California Environmental Protection Agency (Cal/EPA) has determined the annual Unified Program, State Surcharge according to California Health and Safety Code (HSC), Division 20, Chapter 6.11, Section 24040.5(b), and California Code of Regulations, Title 27, Division 1, Subdivision 4, Chapter 1, Section 15240.

The State Surcharge is an assessment on each entity regulated under the Unified Program used to fund the necessary and reasonable costs of all State Agencies responsible for program implementation, ongoing maintenance, and oversight of the Unified Program. The following agencies rely on the surcharge to fund Unified Program activities: Cal/EPA Office of the Secretary, the State Water Resources Control Board, the Department of Toxic Substances Control, the Governor's Office of Emergency Services, and the Office of the State Fire Marshal. The State Surcharge is evaluated annually by the Secretary and revised as necessary to meet statutory and regulatory requirements.

Current surcharge fees were established in 2001 at an artificially low level due to an existing Unified Program account reserve balance. The account reserve balance was applied to fiscal years (FY) 01/02 and 02/03 in order to keep the surcharge fees as low as possible for as long as possible. When these fees were established in 2001, it was intended that they would remain in effect for FY 01/02 and 02/03 (while the account balance was drawn down) and would need to be increased for FY 03/04 once the account balance was depleted.

Now that the account reserve balance has been used as intended, existing surcharge fees will not generate enough revenue to support existing functions. The new fees proposed in this notice establish adequate stable funding for current program activities and allow for a small reserve in the Unified Program account to ensure adequate funding when fee remittance lags behind actual expenditures. No additional fee increases are expected in the foreseeable future unless there are unexpected program changes.

Similar to all Unified Program Agencies, Cal/EPA utilizes a fee accountability system to ensure that only the necessary and reasonable costs of meeting program mandates are covered by the State Surcharge. All surcharge funds are maintained in a distinct account, and receipts and expenditures are continuously managed and reported monthly to Cal/EPA and State Agency managers. The State Agencies drawing funds from the account annually prepare detailed workplans to account for all legislatively authorized resources and other costs devoted to program responsibilities. Through the course of the year, each agency uses a staff time reporting system to bill only listed Unified Program activities to the account. An annual local-state strategic planning session, in conjunction with on-going mandated responsibilities, provides the basis for the workplans each year.

The Sate Surcharge will be public noticed in the California Regulatory Notice Register (Z-Register) for 30 days during which time comments will be accepted on the proposed Surcharge rates. Following the 30-day comment period the Secretary will publish the final Surcharge rates in the Z-Register. Certified Unified Program Agencies will be responsible for collecting the new Surcharge, as part of their Single Fee System, 60 days following the publishing of the final Surcharge in the Z-Register.

For this public notice, the California Environmental Protection Agency will not hold a public hearing to receive comments, but does request the public to submit written comments by June 22, 2003, to the attention of:

Mr. Larry Matz, Chief
Unified Program Section
California Environmental Protection Agency
1001 I Street, 2nd Floor
Sacramento, California 95814

Although not required by law, a response will be provided for each comment received.

STATE SURCHARGE

For Fiscal Year 2003-2004, the State Surcharge is set as follows:

Hazardous Materials	\$24.00
Underground Storage Tank	\$15.00
California Accidental Release Prevention Program	\$350.00